



DEPARTMENT OF COMMERCE

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Bureau of Industry and Security

Docket No. 120705216-2216-01

National Defense Stockpile Market Impact Committee Request for Public Comments on the Potential Market Impact of Proposed Supplement to the Fiscal Year 2013 Annual Materials Plan

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Notice of inquiry.

SUMMARY: The purpose of this notice is to advise the public that the National Defense Stockpile Market Impact Committee, co-chaired by the Departments of Commerce and State, is seeking public comments on the potential market impact of the proposed supplement to the Fiscal Year 2013 Annual Materials Plan related to two material research and development projects and the proposed revisions to the Annual Materials Plan for four materials currently in the National Defense Stockpile. The research and development projects involve two materials – cadmium zinc tellurium (CZT) substrates and triamino trinitrobenzene (TATB). The revisions pertain to four materials – germanium; manganese, metallurgical grade; platinum – iridium; and zinc. The role of the Market Impact Committee is to advise the National Defense Stockpile Manager on the projected domestic and foreign economic effects of all acquisitions and disposals involving the stockpile and related material research and development projects. Public comments are an important element of the Committee’s market impact review process.

DATES: To be considered, written comments must be received by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Address all comments concerning this notice to Michael Vaccaro, U.S.

Department of Commerce, Bureau of Industry and Security, Office of Strategic Industries and Economic Security, 1401 Constitution Avenue, NW, Room 3876, Washington, DC 20230, fax:

(202) 482-5650 (Attn: Michael Vaccaro), e-mail: MIC@bis.doc.gov; and Douglas Kramer, U.S.

Department of State, Bureau of Energy Resources, Office of Europe, Middle East, and Africa,

2201 C Street NW, Washington, DC 20520, fax: (202) 647-4037 (Attn: Douglas Kramer), or e-mail: KramerDR@state.gov.

FOR FURTHER INFORMATION CONTACT: Brett Heidenreich, Office of Strategic Industries and Economic Security, Bureau of Industry and Security, U.S. Department of Commerce, Telephone: (202) 482-7417.

SUPPLEMENTARY INFORMATION:

Background

Under the authority of the Strategic and Critical Materials Stock Piling Revision Act of 1979, as amended (the Stock Piling Act) (50 U.S.C. 98, et seq.), the Department of Defense, as National Defense Stockpile Manager, maintains a stockpile of strategic and critical materials to supply the military, industrial, and essential civilian needs of the United States for national defense. Section 9(b)(2)(G)(ii) of the Stock Piling Act (50 U.S.C. 98(h)(b)(2)(G)(ii)) authorizes the National Defense Stockpile Manager to fund material research and development projects to develop new materials for the stockpile.

Section 3314 of the Fiscal Year (FY) 1993 National Defense Authorization Act (NDAA) (50 U.S.C. 98h-I) formally established a Market Impact Committee (the “Committee”) to “advise the National Defense Stockpile Manager on the projected domestic and foreign economic effects of all acquisitions and disposals of materials from the stockpile” The Committee must also balance market impact concerns with the statutory requirement to protect the U.S. Government against avoidable loss.

The Committee is comprised of representatives from the Departments of Commerce, State, Agriculture, Defense, Energy, Interior, the Treasury, and Homeland Security, and is co-chaired by the Departments of Commerce and State. The FY 1993 NDAA directs the Committee to consult with industry representatives that produce, process, or consume the materials stored in or of interest to the National Defense Stockpile Manager.

In Attachment 1, the Defense Logistics Agency (DLA) lists the quantities of materials associated with the two material research and development projects to supplement its FY 2013 Annual Materials Plan. The two material research and development projects relate to DLA establishing vendor-owned buffer inventories in the United States for cadmium zinc tellurium (CZT) substrates and triamino trinitrobenzene (TATB) up to the levels enumerated in Attachment 1. In these material research and development projects, DLA would enter into arrangements with vendors to maintain inventories of the two materials with options that DLA could purchase material if needed.

DLA is required to supplement its FY 2013 Annual Materials Plan to account for the two material research and development projects because DLA will be using the Defense National Stockpile Transaction Fund to pay for the two material research and development projects. The

quantities listed in Attachment 1 are not acquisition target quantities, but rather a statement of the proposed maximum quantity of each listed material that may be associated with the two material research and development projects in FY 2013. DLA is not proposing to acquire these materials and add them to the National Defense Stockpile. The quantity of each material that will actually be associated with the two material research and development projects will depend on the market for the materials during the fiscal year as well as on the quantity of each material approved for these material research and development projects by Congress.

In Attachment 2, DLA lists proposed revisions to the quantities in the approved FY 2013 Annual Materials Plan for four materials. The quantities listed in Attachment 2 are not disposal or sales target quantities, but rather a statement of the proposed maximum disposal quantity of each listed material that may be sold in a particular fiscal year by the DLA as noted. The quantity of each material that will actually be offered for sale will depend on the market for the material at the time of the offering as well as on the quantity of each material approved for disposal by Congress.

The Committee is seeking public comments on the potential market impact associated with the two material research and development projects and the proposed revisions to the FY 2013 AMP for four materials as enumerated in Attachments 1 and 2. Public comments are an important element of the Committee's market impact review process.

Submission of Comments

The Committee requests that interested parties provide written comments, supporting data and documentation, and any other relevant information on the potential market impact of the

quantities associated with the two material research and development projects and the four proposed revisions to the FY 2013 AMP. All comments must be submitted to the address indicated in this notice. All comments submitted through e-mail must include the phrase "Market Impact Committee Notice of Inquiry" in the subject line.

The Committee encourages interested persons who wish to comment to do so at the earliest possible time. The period for submission of comments will close on [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. The Committee will consider all comments received before the close of the comment period. Comments received after the end of the comment period will be considered, if possible, but their consideration cannot be assured.

All comments submitted in response to this notice will be made a matter of public record and will be available for public inspection and copying. Anyone submitting business confidential information should clearly identify the business confidential portion of the submission and also provide a non-confidential submission that can be placed in the public record. The Committee will seek to protect such information to the extent permitted by law.

The Office of Administration, Bureau of Industry and Security, U.S. Department of Commerce, displays public comments on the BIS Freedom of Information Act (FOIA) Web site at <http://www.bis.doc.gov/foia>. This office does not maintain a separate public inspection facility. If you have technical difficulties accessing this Web site, please call BIS's Office of Administration at (202) 482-1900 for assistance.

Dated: July 12, 2012

Kevin J. Wolf

Assistant Secretary for Export Administration

Attachment 1

PROPOSED SUPPLEMENT TO FISCAL YEAR 2013 ANNUAL MATERIALS PLAN

Material	Unit	Quantity	Footnote
Cadmium Zinc Tellurium (CZT) substrates	cm ²	40,000	1/
Triamino Trinitrobenzene (TATB)	LB	24,000	1/

1/ Vendor-owned buffer inventory material
research and development project

Attachment 2

PROPOSED REVISIONS TO FISCAL YEAR 2013 ANNUAL MATERIALS PLAN

Material	Unit	Proposed Revised Quantity	Approved Quantity	Footnote
Germanium	kg	3,000	0	1/
Manganese Metallurgical Grade	SDT	100,000	222,025	2/
Platinum – Iridium	Tr Oz	568	0	1/
Zinc	ST	7,992	0	2/ 3/

1/ Upgrade project

2/ Disposal

3/ Actual quantity will be limited to remaining
inventory

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